

MEMORANDUM

To: Docket No. 7533 Service List

From: Susan M. Hudson, Clerk of the Board

Re: SPEED Standard Offer Program - 150 kW Milestone Requirements

Date: _____

House Bill 781 ("H.781"), enacted on June 4, 2010, added 30 V.S.A. § 8007(a) to address permitting of small renewable energy plants:

The same application form, rules, and procedures that the board applies to net metering systems of 150 kilowatts (kW) or less under sections 219a and 248 of this title shall apply to the review under section 248 of this title of any renewable energy plant with a plant capacity of 150 kW or less and to the interconnection of such a plant with the system of a Vermont retail electricity provider. This requirement includes any waivers of criteria under section 248 of this title made pursuant to section 219a of this title.

On June 7, 2010, the SPEED Facilitator filed a letter with the Public Service Board ("Board") requesting clarification on how the statute impacts the six-month milestone of the SPEED Standard Offer Program Power Purchase Agreement ("standard-offer contract"). Paragraph 5 of the standard-offer contract requires a producer to file a completed application for interconnection under Board Rule 5.500 within six months of the date the contract was signed. This milestone was included in the contract to prevent projects from holding a space in the queue indefinitely, and to meet the statutory directive to encourage rapid deployment of qualifying SPEED resources.

Board Rule 5.100 regulates the construction and operation of net metering systems and establishes the standards and procedures for application for, and issuance or revocation of certificates of public good for such projects. This rule does not require applicants to enter into an interconnection agreement, although the rule does establish certain interconnection requirements. While H.781 introduced new application requirements for small renewable energy plants that do not call for an interconnection agreement, it did not supplant the six-month milestone in the standard-offer contract or the rationale for the

milestone. Therefore, the Board must create a new mechanism for small producers to demonstrate compliance with the obligation to rapidly move toward commissioning of projects in the standard-offer queue. There are many possible resolutions to this issue; Board staff provides the following for comment.

In the General Instructions section of the Application for a Certificate of Public Good (“CPG”) for Interconnected Net Metered Power Systems (“Application”), applicants are encouraged to contact their utility prior to applying for a CPG and are mandated to provide a copy of the completed Application to their utility at the time that they apply for a CPG with the Board. Board staff suggests that, prior to applying for a CPG, the applicant submit to the interconnecting utility and the SPEED Facilitator a copy of Appendix A (technical specifications) of the Application, signed by both the applicant and the installer (if different), and the completed section of the Application relevant to their project (Section 4 for PV systems, Section 5 for Wind systems, or Section 6 for Other). The interconnecting utility would have 15 days to comment on the Application. This comment period length seems appropriate as it is the same amount of time that an interconnecting utility would have to perform a review of an application under the fast track screening process of Board Rule 5.500 governing interconnection procedures. If the interconnecting utility has no comment on the project, the applicant shall notify the SPEED Facilitator upon expiration of the comment period. This could be deemed sufficient to meet the six-month milestone.

Alternatively, if the applicant is prepared to do so, they may submit a completed Application to the Board and the parties identified in the application. If a CPG is issued (typically within one week of the expiration of the comment period), the applicant shall notify the SPEED Facilitator upon receipt of the CPG. This also could be deemed sufficient to meet the six-month milestone.

Board staff believes either approach will satisfactorily accomplish the purpose of the six-month milestone, that is, to ensure that projects in the queue move forward, and is in accord with the spirit of Section 8007(a): to reduce the administrative burden on applicants for small projects. Board staff invites comments on the suggested mechanism and welcomes alternative solutions. Due to the fact that many of the affected projects have milestone dates in June and July, comments should be submitted by June 30, 2010.

Since H.781 did not become law until June 4, 2010, it might be appropriate to grant brief extensions of the milestone dates to the affected projects. Comments on this subject are similarly time-constrained, and should be submitted by June 30, 2010.